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STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
DIVISION OF MENTAL RETARDATION SERVICES
ANDREW JACKSON BUILDING, 15TH FLOOR
500 DEADERICK STREET
NASHVILLE, TN 37243

July 28, 2006

Dear Provider of Personal Assistance, Day Services, or Respite:

The Centers for Medicare and Medicaid Services recently approved amendments to the Medicaid Home and Community Based Services (HCBS) waiver programs through which community services are provided to individuals with mental retardation. This letter will provide clarification regarding how Individual Support Plans (ISP's) and Cost Plans will be handled. The enclosed table outlines the most significant waiver changes involving Personal Assistance, Day Services, and Respite.

1. **Day Services for service recipients receiving Medical Residential Services:** Effective July 1, 2006, the definition of Medical Residential Services was revised: to require the Medical Residential Services provider to be responsible for the cost of any Day Services (i.e., facility-based services, community based services, and supported employment) needed by the service recipient. For dates of service on or after July 1, 2006, Day Services can not be approved as a separate waiver service when the service recipient is receiving Medical Residential Services. If included in a waiver Cost Plan on or after July 1, 2006, the Regional Office will manually cancel the existing waiver Cost Plan for the Day Services.
2. **Respite Sitter:** The service unit for Respite Sitter has changed from "per hour" to "per 15 minutes". While the effective date for this change is July 1, 2006, we are unable to immediately make the changes needed to Cost Plans and electronic billing for this service.
 - During the 3rd week of September, the Information Technology staff of the Division of Mental Retardation Services will perform an electronic conversion of Cost Plans and the DMRS billing system retroactive to July 1, 2006, converting service units in approved Cost Plans and service units which have already been billed.
 - For any ISP submitted to the Regional Office but not yet processed in the system before the date of the electronic conversion, the Regional Office will manually convert the Services and Supports section of the ISP to the new service units before entering the information into the DMRS Cost Plan and billing system. During the period April through June of 2007, providers of Respite Sitter services may have to submit amended claims for July and August to reconcile any differences between the reimbursement based on the "per 15 minutes" service unit versus the "per hour" service unit.
 - For ISP's submitted to the Regional Office between the date of the electronic conversion and October 1, 2006, the Regional Office will manually convert the Services and Supports section of the ISP to the new service units before entering the information into the DMRS Cost Plan and billing system.
 - All ISP's submitted to the Regional Office on or after October 1, 2006, will be required to be submitted using the new "per 15 minutes" service units.

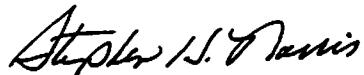
3. **Personal Assistance Services** (excluding Personal Assistance reimbursed as a per diem): With the exception of Personal Assistance which is reimbursed on a per diem basis, the service unit for Personal Assistance has changed from "per hour" to "per 15 minutes". While the effective date for this change is July 1, 2006, we are unable to immediately make the changes needed to Cost Plans and electronic billing for these services.
- During the 3rd week of September, the Information Technology staff of the Division of Mental Retardation Services will perform an electronic conversion of Cost Plans and the DMRS billing system retroactive to July 1, 2006, converting service units in approved Cost Plans and service units which have already been billed.
 - For any ISP submitted to the Regional Office but not yet processed before the date of the electronic conversion, the Regional Office will manually convert the Services and Supports section of the ISP to the new service units before entering the information into the Cost Plan and billing system. During the period April through June of 2007, providers of Personal Assistance services may have to submit amended claims for July and August to reconcile any differences between the reimbursement based on the "per 15 minutes" service unit versus the "per hour" service unit.
 - For any ISP submitted to the Regional Office between the date of the electronic conversion and October 1, 2006, the Regional Office will manually convert the Services and Supports section of the ISP to the new service units before entering the information into the DMRS Cost Plan and billing system.
 - All ISP's submitted to the Regional Office on or after October 1, 2006, will be required to be submitted using the new "per 15 minutes" service units.
4. **Supported Employment Follow-Along:** Supported Employment Follow-Along was previously included in the waiver definition of Day Services. It has been deleted as a waiver service and must be state funded as of July 1, 2006. If included in a waiver Cost Plan on or after July 1, 2006, the Regional Office must manually cancel the existing waiver Cost Plan and replace it with a Cost Plan having the equivalent state cost center (5D311).

While this memo focuses on the process for handling changes resulting from the amendments to the Medicaid HCBS waivers, the same policies would apply to equivalent services state-funded by DMRS. The specific cost centers for the state-funded services, however, are not addressed in this memo.

July 28, 2006
Page 3

If you have any questions, you may contact Denine Hunt at (615) 532-6540.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen H. Norris".

Stephen H. Norris
Deputy Commissioner

SHN:wlm

Enclosure

CC: Denine Hunt
Larry Latham, Ph.D.
Joanna Damons /
Fred Hix
Lucia Beiler
Barbara Charlet
Karen Carothers

Adadot Hayes, M.D.
Pat Nichols
Kathleen Clinton
John Craven
Cate Newbanks
Louis Moore, M.D.

Waiver Service	Cost Center			Service Unit	Maximum Rate	Comment
	Statewide	Self Determination	Arlington			
Day Services: Supported Employment Follow-Along	6D811	9D811	6D811Q	Per month	\$338.80	Supported Employment Follow-Along has been deleted as a waiver service and must be state funded as of July 1, 2006. If included in a waiver Cost Plan on or after July 1, 2006, the Regional Office must manually cancel the existing waiver Cost Plan and replace it with a Cost Plan having the equivalent state cost center (5D311).
Medical Residential Services - Level 5 Rate 1 - Individual	6J715 6K715	N/A	6J715Q 6K715Q	Per day	\$727.00	Effective July 1, 2006, Day Services can not be approved as a separate waiver service when the person is receiving Medical Residential Services. By previous policy, Nursing Services are not approvable as a separate waiver service when the person is receiving Medical Residential Services.
Medical Residential Services - Level 5 Rate 1 - Individual (Out of State)	Pending	N/A	Pending	Per day	\$727.00	
Medical Residential Services - Level 5 Rate 2 - 2 People	6J725 6K725	N/A	6J725Q 6K725Q	Per day	\$546.61	
Medical Residential Services - Level 5 Rate 2 - 2 People (Out of State)	Pending	N/A	Pending	Per day	\$546.61	
Medical Residential Services - Level 5 Rate 3 - 3 People	6J735 6K735	N/A	6J735Q 6K735Q	Per day	\$415.13	For dates of service on or after July 1 2006, if an approved Cost Plan includes Day Services or Nursing Services for the same date of service as Medical Residential Services, the Regional Office must manually cancel the existing waiver Cost Plan for the Day Services or Nursing Services.
Medical Residential Services - Level 5 Rate 3 - 3 People (Out of State)	Pending	N/A	Pending	Per day	\$415.13	
Medical Residential Services - Level 5 Rate 4 - 4 People	6J745	N/A	6J745Q	Per day	\$304.35	
Medical Residential Services - Level 5 Rate 4 - 4 People (Out of State)	Pending	N/A	Pending	Per day	\$304.35	